

Sandstone City Council Meeting Minutes
July 17, 2019

CALL TO ORDER: 6:02 p.m.

ROLL CALL: Kester, Franklin, Spartz, Devlin, Palmer

Members absent: None

Staff present: Administrator George, Missy Higgins, Sherri Quinnell, Vernon Sullivan, Chaz Mann, Mike Bubany, Anna Reiser

PLEDGE OF ALLEGIANCE:

Council, guests and staff recite pledge of allegiance.

ADDITIONS OR CORRECTIONS TO THE AGENDA

Cemetery Deed was added to the Consent Agenda. Motion Devlin, second Palmer to approve the agenda with the addition. Motion carried 5-0.

PETITIONS OR COMPLAINTS BY RESIDENTS AND/OR COUNCIL MEMBERS:

Missy Higgins, Sherri Quinnell and Vernon Sullivan addressed the Council about parking difficulties in front of the Family Pathways building on Main Street. Often times, the Ford dealer next door parks their vehicles on the street, leaving no parking spaces available to Family Pathways' clients. Previously, there were two 15-minute parking signs on the street, but those have either disappeared or are faded and unreadable. It was noted that this portion of Main Street is actually a County Highway. Staff will look into options and the item will be placed on the August Council Meeting Agenda for discussion.

Complaints received by City Staff recently include a noise complaint regarding possible car crushing activities, a leaking roof at Sandy Pines Apartments, more debris piling up at 422 Court, people living in a camper at 222 – 1st Street, and driveway repair needed at 314 Division Street following the Sandstone Health Care Center demolition project. Staff is following up on all of these items.

Councilors asked about a recent concern with the City water, as it felt different and residents had raised concerns. Staff reported that a pump that dispenses a chemical into the water system to regulate PH was stuck on for an extended period of time, saturating the water with the chemical. The chemical is not a health concern; however, it can affect the feel and odor of the water. The water system was completely flushed within two days and the water returned to "normal".

PUBLIC HEARINGS OR PRESENTATIONS:

Anna Reiser – Child Care Center

Anna Reiser addressed the Council about the possibility of working with the City to create a non-profit child care center in a portion of the John Wright Building. Reiser stated that she has met with City staff a few times to discuss the proposal and view the property. Reiser is interested in the classrooms in the first (southern) corridor – closest to the parking lot, along with outdoor yard spaces. She explained her experience with setting up the St. Mary's child care center in a former Catholic school building in Pine City. If the Council is supportive, Reiser will work with Lakes & Pines Community Action Council to submit an application for funding from DEED. They are offering \$100,000 grants, which require a 50% match. The match can come from in-kind donations, such as a free or reduced lease with the City. The Center must operate for at least one year, if the grant is awarded. Funds can be used to make improvements to the spaces.

Reiser explained the need for day care in the area. Two in-home day cares recently closed down. She plans to work with First Children's Finance to prepare a study of the local needs. Reiser explained the State requirements for staff who work in child care centers, which drives up the cost of operation. She noted that, in this area, affordability is going to be a key factor.

Reiser provided the Council with a detailed proposal that included financial projections, budget information, examples from St. Mary's Early Learning Academy, nutrition plan, safety and security plan, staffing, marketing, a proposed timeline, and photos of the classroom/spaces to be used. If all goes according to plan, and the DEED grant is awarded, Reiser projects enrollment to begin in October 2020.

If approved by the City, Reiser stated that the City would act as the fiscal sponsor while the non-profit is established. She would act as the Project Manager, and receive some compensation for her services through the funding package. It was noted that attracting or creating a day care center is one of the top priorities identified by the City's Economic Development Authority.

Councilors were impressed with Reiser's business plan, her proposed time line, and her knowledge and experience. **Motion by Franklin, second by Palmer to agree to work with Reiser on the creation of a non-profit day care center that will operate in the John Wright Building and further to act as the fiscal sponsor as the non-profit is established. Motion passed 5-0.** Council Member Palmer agreed to work with City Staff and Reiser on the various details.

Council Member Devlin left the meeting at this point.

CONSENT AGENDA:

Motion Franklin, second Palmer to approve the following Consent Agenda items:

- **June 19, 2019 Regular Council Meeting Minutes**
- **Sandstone Lions Temporary Liquor License (Quarry Days)**
- **Old School Art Center – Temporary Liquor License & Special Event Permit**
- **New Fund 316 – 2019A GO Capital Improvement Plan Note**
- **Cemetery Deeds: Samuel O. Hughes, Jr.**

Motion carried 4-0.

OLD & CONTINUING BUSINESS:

Resolution No. 20190717-01 Authorizing GO Capital Improvement Bonds

The City approved two building improvement projects: City Hall Boiler and Fire Hall Building Improvements. The plan is to finance the projects through the MN Rural Water Association, MIDI Loan program. General Obligation bonds are still issued, but by going through Rural Water, the City will save on time and lower issuance costs than the typical GO Bond process.

The Council held the required public hearing on the Capital Improvement Plan and on the issuance of GO CIP Bonds at the May 15, 2019 Council Meeting. At that time, the final project costs were not known. Bid opening took place on May 30th. The low bid for the City Hall project is from Lundberg Plumbing & Heating for a total of \$268,800. The low bid for the Fire Hall project is from Mark Haug Construction for a total of \$427,900. At the June 5th Special Council Meeting, the Council accepted these low bids and approved financing the projects through the MN Rural Water Association MIDI Loan Program.

Mike Bubany, David Drown & Associates, reported that he has received approval by Northview Bank to issue the bonds in the amount of \$747,000 at 3.03% fixed interest for 15 years. Bubany stated that with the MIDI Loan program, the City has more pre-payment flexibility – the bonds can be paid off after the first 12 months. A 1% penalty would be charged if paid off before February, 2026. If approved, the funds will be available August 1st, 2019.

Motion Spartz, second Franklin to adopt Resolution No. 20190717-01 Authorizing the Issuance, Sale and Delivery of a \$747,000 General Obligation Capital Improvement Plan Note, Series 2019A to finance the City Hall Boiler and Fire Hall Building Improvements projects. Motion passed 4-0.

Amendments to City Code Section 960 – Special Events

The Park Commission has been discussing changes to City Code 960, Special Events. The majority of the proposed changes are intended to streamline the process by allowing the City Administrator to approve Special Event Permit applications. The final draft was presented to the City Council for consideration at the June 19th Council Meeting. The Council made one change to allow funeral processions to remain except.

At the July 12th Park & Rec Commission meeting, the Commission decided to make one more change to Section 960.07 Subdivision 1. They had originally decided to remove the exemption for any event involving 299 or fewer people, that is less than three hours in duration and that does not involve any alcohol sales or consumption. After further thought, they decided to keep the exemption but change it from “299 or fewer” to “75 or fewer”.

According to Minnesota Statute 415.19, cities must publish the text of any new or amended ordinances at least 10 days before a final vote by the Council. To satisfy this requirement, the City can post the draft ordinance on the City Bulletin Board and/or post the draft on the City website. Both of these actions have been taken.

Motion Palmer, second Spartz to adopt Ordinance No. 20190717-01 Amending City Code Section 960 and Ordinance No. 20190717-02 Summary Publication. Motion passed 4-0.

NEW BUSINESS:

Tim Franklin Resignation

Council Member Franklin announced that he is considering other professional opportunities and, therefore, is resigning as a City Council Member effective August 31, 2019. Council Members expressed their support for Franklin’s future endeavors, but will sorely miss his presence on the Council. **Motion Palmer, second Spartz to accept the resignation of Tim Franklin effective August 31, 2019, with gratitude. Motion passed 4-0.**

Franklin is currently serving a 4-year term; January, 2019 through December, 2022. Since there is more than 2 years remaining on the term, a Special Election will be required. The City Council can hold a Special Election now, or appoint someone to fill the term until December, 2020. A Special Election would then be held to fill the remaining 2 years of the term. Consensus of the Council was to advertise to fill the vacant seat through December, 2020.

East Central Regional Development Commission – Board Vacancy

There is currently a vacancy for a Pine County representative on the ECRDC board. Nominations are being accepted until July 29th. The City Council can nominate a mayor or council member to represent the

cities in Pine County. The term of office runs concurrent with the elected official's term of office. Mayor Spartz expressed interest in serving on the ECRDC Board.

Motion by Palmer, second by Kester to nominate Mayor Peter Spartz to fill the Pine County vacancy on the East Central Regional Development Commission Board. Motion passed 4-0.

REPORTS:

Sheriff's Deputy Report – June 2019

Councilors reviewed the weekly reports that were provided for the month of June.

Fire Department Report – June 2019

Firefighter Chaz Mann reported that the Department had 7 calls during the month of June: 1 smoke in house, 1 vehicle fire, 2 grass fires, 1 building fire, 1 gas leak, and 1 cancelled en route. The Department is making plans for two training burns – Mike Menard's house in early August and the City-owned tax forfeited house on Park Street later in the fall. The Fire Hall construction project is underway. Mann was asked about a recent call involving someone burning trash. The Sheriff's Deputy also responded, but it is unknown whether or not the DNR was informed. The DNR will issue citations for burning unallowed substances.

Library Report – June 2019

The summer reading program is underway, with lots of excitement. Two new volunteers will be helping with weekly story time, which is regularly attended by 10-25 kids. The Friends of the Library are busy getting ready for the Quarry Days Book Sale, which will take place at City Hall. Staff answered 292 reference questions and attended to 1,372 patrons at the library during the month.

EDA Meetings – June 26, 2019

The EDA discussed a request for an extension of the due diligence period by Sandstone Development, LLC. They also discussed several items related to wrapping up the Lundorff Drive/Business Park project.

Park & Rec Commission Meeting – July 12, 2019

The Park Commission recommends approval of two donations: \$2,500 from the Sandstone Lions Club towards the repairs being made on the Lions Hill Chalet and a bench from the Sandstone Quarry Lions to be placed in Train Park. They started planning for National Night Out – August 6th. They decided to cancel the August meeting due to Quarry Days activities. Several members met with DNR representatives to discuss the old dam remnants and the access points in Robinson Park. Discussion continues regarding what to do with the old KREEC site.

Accept Donations

Motion Palmer, second Spartz, to adopt Resolution No. 20190717-02 Accepting Donations: \$2,500 from the Sandstone Lions Club towards repairs to the Lions Hill Chalet, and a bench from the Quarry Lions to be place in Train Park. Motion passed 4-0.

Rental Inspection Report – June 2019

The Council discussed the list of citations, open orders, and violations that was included in the Rental Inspector's written report. They would like to know how much the fine is when a citation is issued. Ten units had 1st time inspections. There are 286 total units registered. An existing non-conforming mobile home structure that was deemed unfit for habitation was demolished, bringing the property into compliance with zoning codes.

Building Inspection Report – June 2019

19 building and maintenance permits were issued in June. There are currently 13 ongoing projects in town and 5 open right-of-way permits.

Streets & Parks Supervisor Report – June 2019

The crew has been filling potholes, grading roads and alleys, mowing grass and ditches, watering flower pots, cleaning catch basins. A quote was received for ditch/gravel work on Pine Avenue south. A second quote has been requested. A list of streets in need of major repair or replacement is being compiled. Group camp site signs were installed in Robinson Park. Two trees were removed in Train Park by the gazebo. The roof project at the Lions Hill Chalet has been completed. A quote was received for extending sewer and water to the chalet. A second quote has been requested. A dead tree was removed from the cemetery. A quote was received for ditch work/retaining wall at the cemetery. A second quote has been requested. A dead tree was removed from City Hall. The crew mowed neglected properties in town and helped clean up blight at 422 Court. The 1999 Chevy 1500 was placed on the Public Surplus Auction. The high bidder did not follow through; therefore, the item was placed back on the auction. Vehicle and equipment maintenance activities continue.

PeopleService Report – June, 2019

A broken stand-pipe was repaired at 717 Commercial. Lift Pump #2 had some electrical problems; new parts have been ordered.

Financial Reports – June, 2019

Motion Kester, second Palmer to approve the Cash Balance, Revenue & Expenditure Report and to approve payment of Claims for the month of June in the amount of \$232,043.46. Motion carried 4-0.

WRITTEN NOTICES AND COMMUNICATIONS: None

ADMINISTRATOR’S REPORT: The Administrator reported on the following items:

Wild River Properties

- ❖ Closing set for Friday, July 19th

John Wright Building

- ❖ Closing set for October 15th
- ❖ Will start working with an architect on the Street Shop
- ❖ School District has decided to move their operation to Hinckley

Fire Hall Project

- ❖ Demo of windows and frames this week
- ❖ Plumbing continues
- ❖ Tuckpointing and electrical begins
- ❖ Next Construction Meeting: Monday, July 22nd at 10:00 a.m.

City Hall Project

- ❖ Old boiler has been removed
- ❖ Removing old piping
- ❖ Waiting for supplies to come in
- ❖ Next Construction Meeting: Monday, July 22nd at 9:00 a.m.

Engineer Updates

- ❖ MCCU Service Line – televising was done July 2nd; waiting for video and report
- ❖ Nursing Home Sewer Line – putting quotes together
- ❖ River Bluff – Contractor has been asked to re-televis pipe segments; waiting on response

Northern Bedrock / AmeriCorps Crew – The Rock

- ❖ Crew of 6 will be here July 24 - 31
- ❖ Showers have been arranged with East Central High School for most nights; still need to figure out what to do July 26, 27 and 28
- ❖ Ice Cream Social planned for Friday, July 26th from 5-7
- ❖ Northern Bedrock Season Celebration is Wednesday, July 31st at 4:00 p.m. in Duluth

Union Contract Issue

- ❖ Arbitrator agreed that the Streets & Parks Supervisor position should be excluded from the appropriate unit represented by the IUOE, Local 49

City Administrator Performance Review

- ❖ Council set a Special Council meeting for August 21st, 4:30 – 5:30 for Council to discuss comments; 5:30 – 6:00 for Council to give feedback to Administrator George
- ❖ Mayor Spartz and Council Member Kester will meet from 4:00 – 4:30 to consolidate all comments

Council Work Session

- ❖ Council set a Special Council meeting for August 13th at 10:00 a.m. to hold a 2020 Budget work session; lunch will be provided
- ❖ Council set a Special Council meeting for July 30th at 10:00 a.m. to discuss Union Contract Negotiation strategy; this will be a closed meeting in accordance with Minnesota Statutes 13D.03.

LMC Annual Conference

- ❖ Spartz, Palmer, Franklin and George attended
- ❖ All agreed the content was relevant, the speakers were good, the childcare discussion was interesting, and it was well worth the time and expense

ADJOURN

Motion Franklin, second Kester to adjourn at 8:25 p.m. Motion carried 4-0.

Peter Spartz, Mayor

Kathy George, Administrator